

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D.C.



REPLY TO
ATTN OF:

OSA-2245-66
#A-133-66

SUBJECT:

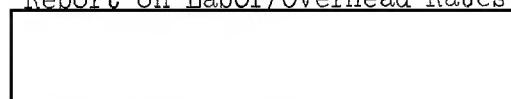
REPLY TO:
Audit Liaison Office
P. O. Box 8155
S. W. Station
Washington, D. C.

TO:

27 May 1966

SUBJECT: Report on Labor/Overhead Rates

STATINTL



Contract No.CW-6644

TO : Contracting Officer
REF : 13 May 66 ltr Proposal BKD-I-104

1. No price evaluation of reference proposal was performed as sufficient detail was not included therein to enable such evaluation review. Discussion with the cognizant DCAA resident auditor disclosed that there are no currently approved bid rates. Approval of such bid rates was rescinded 20 April 1966 because of both anticipated and reported significant volume increase.

For proposals less than \$250,000 only, the auditor is using as an indication or trend, the first four months - January to April 1966 - unadjusted booked rates. These are listed on attachment. The contractor is currently preparing their proposal for purpose of establishing newly approved bid rates. It is recommended that the firming up of proposals exceeding \$250,000 be deferred pending establishment of newly approved bid rates.

Arthur G. Hanley
ARTHUR G. HANLEY
Auditor General Representative (APL)

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